

by Shawn Shouldice Banfield



Legislature Unable to Over-ride Douglas' Veto; Session's Cornerstone Legislation Dies

The Vermont General Assembly adjourned on May 12, but returned on July 11 due to Governor Jim Douglas' veto of H.520, the global warming / climate change bill, along with another piece of legislation. The gubernatorial veto was upheld with bipartisan support during the special session on July 11 and legislative leaders have vowed to return with new legislative proposals in 2008.

H.520, the centerpiece of the 2007 session, started out with 3 weeks of public meetings and speakers arguing that something needed to be done in Vermont to address global warming and climate change. In the House, energy legislation passed almost unanimously that would have provided incentives for renewable energy development, as well as a greater emphasis for conservation and efficiency measures.

The controversy came when the Senate added language into H.520 that created a permanent utility and imposed a \$25 million tax on Vermont Yankee in order to fund it.

Later, the Governor unveiled his own energy efficiency proposal, the Energy Efficiency Investment Program. This initiative sought to build upon the existing Weatherization Program that works with community action agencies, heating contractors and fuel dealers to provide thermal efficiency services. However this proposal, like H.520, appears to be on hold for the time being.

Vermont's Energy Future – Public Engagement Process

In the last edition of Clean Energy News, we reported that the public engagement process was expected to be well underway. However, due to a number of unforeseen obstacles, workshops will not be commencing until October.

According to the Vermont Department of Public Service (DPS), the public engagement process is intended to provide "comprehensive, statewide energy planning focused on energy supply choices facing the state beginning in 2012 and beyond. The purpose of the process will be to educate the public about the energy supply challenges facing the state; to gather meaningful and informed public input about values and preferences of Vermonters regarding

energy supply; and by achieving the first two objectives, to ensure broad-based public acceptance of the resulting choices."

The DPS points out that "Vermont utilities must replace 2/3 of Vermont's electric supply between 2012 and 2016. Some or all of these choices will require regulatory or governmental approval. Due to the significance of the choices, public understanding, input, and support for the ultimate choices are essential."

DPS states further that "by the nature of evaluating all energy supply options, this engagement process shall be designed to gather public information and will consider the acceptability of extending the Vermont Yankee license beyond its expiration date. Vermont Yankee Nuclear is the State's lone nuclear power plant."

The Partnership will continue to keep members updated on this process.

For more information on the public engagement process you can visit the DPS website at www.vermontenergyfuture.info or go to www.vtep.org. •

Courts Rule on U.S. EPA Lawsuit

As reported in the winter 2007 issue of Clean Energy News, various states sued the U.S. Environmental Protection Agency (EPA) for violating the 2005 Clean Air Act and failing to regulate auto and truck emissions. The EPA claimed that vehicle emission standards are not within its jurisdiction, but the United States Supreme Court felt differently.

On April 2, 2007 the court ruled that the EPA has the authority to regulate gas emissions in automobiles. The 5-4 decision also indicated that the Bush Administration was incorrect in their statements that the agency did not have the right to regulate carbon dioxide and other heat-trapping gases under the Clean Air Act.

The court ruling does not require the EPA to regulate gas emissions, but the agency could leave itself open to more

legal actions if it fails to do so. For the EPA to prevent further lawsuits, it would have to prove that greenhouse gases do not contribute to climate change.

The court ruling not only goes for car emissions, but also extends to power plants, factories and other sources of greenhouse gases. In a press release, the EPA stated that they were reviewing the court ruling as it now puts the agency in a difficult position due to the Bush Administration's rejection of mandatory cuts in greenhouse gas emissions.

Environmentalists and state officials say that the ruling opens the door for states to move forward with regulating greenhouse gas emissions from cars. A dozen states have adopted or are in the process of adopting such rules, which will require the EPA's approval. After the court decision, the EPA will have little

choice but to lean towards approval of these state programs.

Some insiders believe that this is not the end of this issue as international governments struggle to address the challenges of global warming and climate change.

As a result of the ruling, the EPA, environmental groups and states are suing several power companies for failing to install pollution controls. Environmentalists also claim that the ruling will provide a strong incentive to clean up the some of the dirtiest coal-fired power plants in the country.

Gas emissions from cars and trucks reportedly account for one-fourth of the country's total emissions of heat-trapping gases, which a recent United Nations report links to global warming. •



Interviews with Hydroelectricity Experts Jeff Wallin & John Warshow

The Partnership recently released its latest issue brief on the development of in-state hydro-electric projects, which included interviews with a number of experts on the renewable energy source. Vermont biologist and renewable energy supporter Jeff Wallin, and John Warshow, former co-chair of the executive committee/chief spokesperson for the Vermont Hydropower Coalition, graciously answered questions on the future of this important resource. They also discussed the role hydropower can and should play in Vermont's future electricity portfolio.

What follows are excerpts from those interviews:

Clean Energy News (CEN): Historically, how has in-state hydro played a role in Vermont's electricity portfolio?

Wallin: "Historically (pre-electricity, hydropower) played a dramatic role in settling Vermont in the 1700s. Renewable energy in general played a big

role in Vermont's self-sufficiency with its timber resource powering locomotives and fueling the smelting industry during the industrial age of the 1800s. That is why reverting back to renewable energy such as hydro and wind is in keeping with our heritage."

"Conversion of the hydro-mechanical sites to hydro-electric generation brought the first electricity to Vermonters. The great advantage to Vermont is that its hydro sites are well dispersed throughout the state."

"Like any renewable energy source it cannot be relied upon 365 days a year, however, by being well distributed throughout the state often ensures some generation all the time. The massive Northeast blackout just a few years ago did not affect Vermont largely because of its strong, well dispersed hydro-electric generation at the time."

CEN: Looking ahead, how do you see the

future of in-state hydro in Vermont?

Wallin: "It should hold its own. I don't believe it will drop off, nor is there anything to suggest that sites would be abandoned like in the 1950s. There appears to be interest for municipal and backyard projects, so we'll probably see slight increases from those, but most utility grade sites have been pretty well developed."

Warshow: "I would expect in-state hydro production to remain at its current level. There won't be a significant increase. There may be a slight decrease in production for environmental reasons, but I believe that if Vermont is able to control its demand through efficiency and conservation practices then in-state hydro should be able to continue to meet about 8 percent of our electricity needs."

To read the full issue brief on in-state hydro, please visit the Partnership's website at www.vtpe.org. •

Solar Photovoltaic Project *Continued from page 4 >*

The combined estimated energy savings for the photovoltaic and thermal systems will be between \$26,000 and \$28,000 a year.

The recreation center also has plans to further expand its renewable energy resources with a biomass heating system, using local area wood chips and pellets,

and is also evaluating ways to generate run-of-the-river power from the adjacent Black River.

The Department of Public Service received 34 proposals, requesting over \$4.7 million in funding in response to the Clean Energy Development Fund grant solicitation issued in June. Applicants submitted

proposals for projects in the following categories: Pre-Project Financial Assistance, Small-Scale Systems, Large-Scale Systems, and Special Demonstration Projects. There was a maximum grant award of \$25,000 for Pre-Project Financial Assistance, \$60,000 for Small-Scale Systems, and \$250,000 for all other projects. •

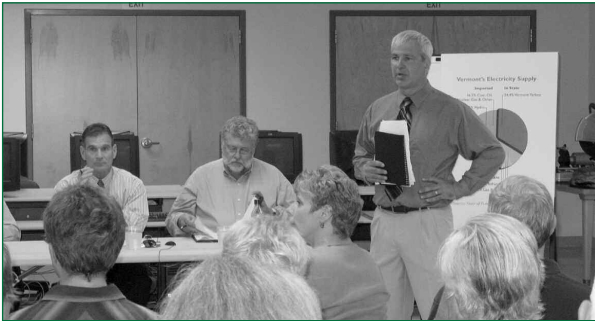


45 State Street, Suite 152
Montpelier, Vermont 05602

Prsrt Std
U.S. Postage
PAID
Mailrite, Inc.

Partnership Co-hosts Recent Energy Forum

On June 28, 2007 the Vermont Energy Partnership, St. Albans Co-op and the Franklin County Industrial Development Corporation co-hosted an energy forum in Swanton, VT titled, "Shaping Vermont's Electricity Future: Generation, Reliability, Policy and Politics."



Brad Ferland, President and member of the Vermont Energy Partnership provides opening remarks, while Emerson Lynn and Steve Terry look on (l-r)

The forum focused on the role of Vermont Yankee in Vermont's current and future electricity portfolio. Former Vermont Governor Thomas Salmon provided the keynote address, followed by a panel discussion moderated by Emerson Lynn, publisher of the St. Albans Messenger.

About 50 people attended the forum, the first in a series of three.

Panelists included Steve Terry, former vice president for corporate and legal affairs at Green Mountain Power; Brian Cosgrove, manager of government affairs at Vermont Yankee; and Brian Keefe of Central Vermont Public Service (CVPS).

Steve Terry talked about some of the factors that led to the development of Vermont's current electric mix. He stated that, "before 1960 Vermont had the highest [electric] rates in the northeast." According to Terry, this was a major reason that Vermont built the nuclear plant. Over time, he explained, Vermont came to adopt a "purchase power strategy" for the simple reason that, "After Vermont built the nuclear plant in Vernon, the bottom line was we didn't want to build anymore generation [plants] in Vermont."

He noted that today Vermont enjoys the best electric rates in the Northeast.

Brian Cosgrove provided the audience with a 'Vermont Yankee 101' course, including a brief history of the plant, an overview of how Entergy came to purchase the facility in 2002, and also discussed the environmental and economic benefits of Vermont Yankee.

Brian Keefe focused his discussion on the fact that there seems to be "concern and anxiety about the energy

future" and how future generations will be affected by the decisions made today. He spoke of Vermont's low carbon levels with regards to the rest of the country, and raised the issue of transportation and how it has been "a vexing problem in carbon reductions."

Keefe talked about some of CVPS' energy-conscious initiatives, such as implementing the cow power program and being the first utility to use wind power (the turbine was built in 1941). Also discussed was the possibility of fitting hybrid vehicles with converters, so the vehicles can be plugged directly into the grid in the evenings when energy demand is low.

Future energy forums hosted by the Partnership will focus on Hydro-Québec and renewable energy sources and conservation within the state. •

Former Governor Salmon's keynote address spoke directly on the urgency of securing clean and affordable supply for Vermont's energy future. Below are excerpts from the former Governor's speech:

"Today we've got a problem, and it's a big problem. And the problem is multi-faceted, but its central ingredients are that the Vermont Yankee license will expire in 2012. That's a short time from now, and although the application for extension of the license has been filed, as you know, if you've spent any of your life in or about government, there are no guarantees, there is no certainty here.

Problem number two, the Hydro-Québec contracts will be faded out in 10 years with no clarity on the availability of the follow-up contract.

Let me answer the question, what would I do if I had my druthers, based on the collective history, a sample of which I've tried to share with you this afternoon. First and foremost what I would do is advocate strongly for the Vermont Yankee energy license. That would be the highest priority. And the reason for that is in its future energy mix, Vermont desperately needs a base-load centerpiece. And Vermont Yankee appears by far to be the best candidate to provide that base-load capacity.

Secondly I would aggressively engage in interface with our friends at Hydro-Québec and within the government of Québec just a few miles north of where we visit today. To assess, to try to candidly assess what portion of the current contracts may be renewable at least in some forum under appropriate circumstance. One of the more appropriate circumstances would be a fair price, in my view.

And thirdly I would go out and aggressively seek to develop a mix of alternative energy sources for our state including wind, wood and biomass all designed to complement the core of our energy structure." •



PRESIDENT'S REPORT

By Brad Ferland

When we talk about Vermont's energy future, I see the glass as half full! It's 2007 and the planning process for our future electricity supply is in full swing. If we plan early in Vermont, we have the opportunity to make informed decisions that will have lasting results.

I call the glass half full right now for a number of reasons. First, Vermont's carbon emissions, largely due to our current electricity supply, are the lowest in the United States. This is something Vermonters should be proud of.

Currently, two-thirds of our total electricity comes from Vermont Yankee and Hydro-Québec - a result of sensible planning and negotiations decades ago that produced long-term favorable power contracts for Vermont.

Both of these important energy sources have the potential to remain in our supply mix. Vermont Yankee is looking at a license renewal and the door seems to be open with Hydro-Québec for the discussion of future contracts. These two baseload sources allow Vermont the opportunity to continue with a clean, dependable electricity supply well past 2012.

In addition to these sources there are many exciting new energy projects on the horizon. The Vermont Department of Public Service recently announced its Clean Energy Development Fund awards. Recipients include a wide range of clean energy projects that will help pave the way for new sources of electricity supply. Without the Clean Energy Development Fund, these projects might not have been possible.

Projects range from community hydro and wind, to biomass and solar photovoltaic. In this issue of Clean Energy News we discuss these awards and one project in particular, the Southern Vermont Recreation Center's solar photovoltaic project.

Projects awarded grants include:

Pre-Project Financial Assistance:

- Greensboro Hydro Feasibility, Greensboro Town Energy Committee
- Biomass CHP System Evaluation at Otter Creek Brewing
- Lyndon State College Biomass Plant with CHP potential, Lyndon State College
- Georgia Mountain Community Wind Project, VT Environmental Research Associates
- Montpelier Community Energy System, City of Montpelier

Small-Scale Systems:

- A Demonstration of a 4.7 kW micro-CHP

- System, Steven Winter Associates
- Champlain College Carriage House CHP Project, Vermont Gas Systems

Large-Scale Systems:

- Westminster Farms Anaerobic Digester, Clayton Goodell
- Anaerobic Methane Digester, Neighborhood Energy, LLC
- Boucher BioPower, LLC, Gilbert Boucher
- Gervais Family Farm Methane Biogas Project, Gervais Family
- Bennington Hydroelectric, Town of Bennington
- Gas-Watt Energy Williston Project, Gas-Watt Energy, LLC
- Large-Scale Solar Energy System at Green Mtn. Coffee, Roasters Inc.
- Large-Scale Solar Energy System at RSD Companies, RSD Transportation, Inc
- Southern VT Recreation Center Solar PV System, Southern VT Recreation Center

Special Demonstration Projects:

- AgNorth BioPower, LLC, Guy Palardy

These diverse energy projects will not only become part of Vermont's supply mix, they will foster economic development and add to the quality of life of all Vermonters.

There is also the Department of Public Service's Public Engagement Process currently underway to engage the public in the energy discussion. In her legislative column, Shawn Shouldice Banfield talks more about this process and what the Department hopes to achieve.

Finally, a deliberative polling will take place in November. Vermonters will be randomly selected to participate in a poll over the phone and asked a series of energy-related questions. These same individuals will then be asked to come to a weekend workshop where experts will present information on various energy issues. At the end of the weekend another poll will be taken to see how, if at all, their views change after the education process.

The Vermont Energy Partnership supports any fact-based educational process that helps alleviate anecdotal arguments on energy supply issues, and there is no question that there will be debate as we move forward. Providing good information, having healthy discussion and respecting varied points of view will benefit the prospects of ensuring a successful energy future for Vermont and hopefully keep our glass half full. •



Yes! I want to join the Vermont Energy Partnership

I support your efforts to educate communities regarding the necessity for safe, reliable energy and advocacy to ensure that Vermont has an ample and reliable electricity supply and economic prosperity for years to come.* Enclosed is my tax-deductible contribution of:

Associate Member: \$50 Other \$ _____

Business/Labor Member: Contribution Amount: \$ _____

Check Enclosed

Mail to: 45 State Street, Suite 152, Montpelier, Vermont 05602

Signature: _____

Name: _____

Address: _____

City/State/Zip Code: _____

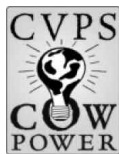
Telephone: _____

Email: _____

* Conditions of membership apply. For more details send inquiries to info@vtep.org. Vermont Energy Partnership is a 501(c)(6) IRS Tax-Exempt Organization that advocates for reliable, affordable, and clean energy solutions, as well as conservation measures, for all of Vermont.

**Cow Power
Receives Honor**

The Edison Electric Institute (EEI) recently awarded Central Vermont Public Service Corp.'s (CVPS) Cow Power Program the Finalist Award for the institute's annual Edison Award competition.



"The motto of the Edison Award is 'Leadership, Innovation and Advancement of the Industry,' and your company's Cow Power submission embodies that quite well," Kuhn continued. "The judges felt it was extremely difficult to select the winner this year. Accordingly, they asked us to find a way to recognize your accomplishment. We have therefore created the Finalist Award. This marks the first time we have done this."

The award, named after Thomas Edison, was presented to CVPS, a Vermont Energy Partnership member, for its renewable energy program that offers manure-powered energy from local farms to electricity customers in the state.

Touted as the first program of its kind, the Cow Power program has over 4,000 customers and charges a 4 cent premium per kilowatt-hour for its renewable energy. Some customers include Green Mountain College, Newbury Village Store and the Meadowlark Inn.

"...This is a tremendous acknowledgement that we've created something special in Cow Power. It speaks volumes about our employees, Vermont, our customers and the Cow Power farms, which have all made the program a national model," said CVPS President Bob Young.

According to EEI President Thomas Kuhn, "The judges were very complimentary of the unique and timely nature of the [Cow Power] program, and the leadership it shows. The benefits to customers, farms, the state and the environment are obvious."

As featured in the winter 2007 issue of Clean Energy News, CVPS's Cow Power program uses manure from local dairy and cattle farms to create renewable energy for consumers. Besides electricity, by-products of the manure-to-energy process include solid materials that can be used as bedding for farm animals and liquid materials that can be used as fertilizer for crops.

**Methane Recovery Facility
Increases Energy Production for
Vermont Co-op**

Washington Electric Cooperative (WEC), whose service area covers roughly 2,728 square miles in north-central Vermont, recently increased its energy generating capacity at the Coventry landfill gas-to-energy facility.

Built in 2004 after the co-op's contract with Vermont Yankee ended, the landfill methane recovery plant provides WEC member-owners with up to fifty percent of their electricity needs at "affordable, stable and long-term prices." The facility began with three engines, adding one more in January 2007 to serve WEC's 10,000+ customers.

Methane recovery works by collecting gases from decomposing refuse to fuel a gas turbine, which in turns produces electricity.

WEC was founded in 1939 "...to provide electric power and energy-related products and services for area residents...through a consumer-owned and locally-controlled cooperative business." The co-op is run by a nine-member Board of Directors and operates with a \$13 million annual budget.



**Green Mountain Power Emits
Only 2% CO₂**

In keeping with Vermont's reputation as a "green" state, the Green Mountain Power Corporation (GMP), which serves about a fourth of Vermont's energy-consuming population, announced recently that its fuel mix is comprised of only two percent of CO₂ emitting sources. GMP's energy sources are over fifty percent water, wood or wind power.

In addition, GMP can now tout itself as being carbon neutral in its operations including offices, vehicles, facilities and business travel.

"We have consistently worked to reduce emissions at Green Mountain Power, both in our operations and in the fuels we use to supply our customers with electricity," said Christopher L. Dutton, president and chief executive officer of Green Mountain Power.


"In 2006 we achieved the lowest proportion of emission-producing fuels that we've had in decades," states Dutton. "We were able to take advantage of additional hydro power resources from Hydro-Québec, and we experienced near record-breaking production at our own hydro facilities, which helped reduce the use of fossil fuels."

GMP's fuel mix is roughly 50 percent hydro and a little over 40 percent nuclear energy, with the remaining 10 percent comprised of wood, wind and oil/natural gas.

Added Dutton, "With the world focused on how to combat global climate change, we are proud that this year our carbon footprint is so small."

"Our challenge in the future will be how to keep our emissions low as we replace the contracts for power from Vermont Yankee and Hydro-Québec, which expire in 2012 and 2015, respectively."

GMP also introduced their "choose2bgreen" program in the spring of 2007, which allows customers to select a percentage of their electricity be generated from local renewable sources at a 3 cent per kilowatt hour premium. •

 **Vermont Energy Partnership**
Working for Reliable Affordable Clean Energy for Vermont

Published by the Vermont Energy Partnership

45 State Street, Suite 152
Montpelier, Vermont 05602

Telephone: 802-223-0575
Website: www.vtep.org
Contact: info@vtep.org
Circulation: 1,500

VTEP Leadership

Brad Ferland
President

Shawn Shouldice Banfield
Secretary/Treasurer

Dr. Jennifer Clancy
Director

Bob Lombard
Director

Jeff Wallin
Director

Amanda Ibey
Executive Director

The Vermont Energy Partnership is a non-profit 501(c)(6) organization.

FCIDC Works for Progress

When the Franklin County Industrial Development Corporation (FCIDC) was established 37 years ago, a double digit unemployment rate was plaguing the county. Since then, and with great support from the 17 local Franklin County communities, that number has been significantly reduced.

The FCIDC, a non-profit development corporation created to strengthen Franklin County's economy through the creation and retention of jobs, provides a business-friendly environment that will attract investments in the area.

For the past seven years Tim Smith, who was born and raised in St. Albans, has been at the helm of the FCIDC working to strengthen the economy through the creation of capital investment and jobs.

A recent initiative put forth by the FCIDC and the state is to increase the number of Franklin County businesses with ISO-9000 certification, a set of quality management standards to facilitate international trade by providing a single set of internationally recognized standards. This initiative is aimed at increasing opportunities for local businesses to compete in the global market.

However, central to Mr. Smith and the FCIDC's work is the need for reliable and affordable electricity, which can either strengthen or weaken existing infrastructure.



Connie Burns, Marilyn Laidman, Sharon Bockus, Pat Travers-SBDC Counselor, Tim Smith

"Capital investment and job creation need reliable and affordable energy," says Smith. "The two areas go hand-in-hand.

Communication tools, transportation, even water and sewer services are all tied to energy production."

As Brad Ferland, president of the Partnership and long-time resident and business owner in St. Albans noted, "Tim has done an outstanding job in leading the effort to bring new business opportunities to the area."

It is this close relationship between business development and electricity that has led FCIDC to co-host and co-sponsor a number of energy forums to help educate the public on the importance of addressing Vermont's energy future.

Mr. Smith is particularly concerned about the current uncertainty over what Vermont's electricity portfolio will look like after the contracts with Vermont Yankee and Hydro-Québec expire.



"The next couple of years, or even sooner will prove to be a crucial time in addressing Vermont's future energy needs," explains Smith, "and I believe it is the consensus of our state's population that it is time to move past partisan politics and do what is best for the future of Vermont."

He adds, "I'm not saying that Hydro-Québec and Vermont Yankee should be taken off the table, just that we must be proactive in moving this conversation forward and I think that the Vermont Energy Partnership can be a resource to initiate this dialogue."

Other initiatives by the FCIDC include a partnership with VT Technical College and the Franklin-Grand Isle Workforce Investment Board (WIB) to develop an Industrial Maintenance Technician Training program in order to build a strong and competitive in-state workforce. Classes for the training program started in 2005, serving 9 manufacturers and 17 employees.

The FCIDC also coordinated an annual CEO Roundtable in 2005, to discuss the challenges and opportunities that CEOs face with the goal of working towards retaining a solid job base in Vermont.

"During the last 7-10 years the county has enjoyed a resurgent growth due in part to our proximity to Canada," says Smith. "Vermont is a wonderful place to live. We have people who have a care and concern for one another." •

Southern Vermont Recreation Center Receives Major Grant for Solar Photovoltaic Project

On August 9 the Department of Public Service announced they were awarding \$2 million from the Clean Energy Development Fund to 17 energy projects in the state, including Southern Vermont Recreation Center (SVRC), in Springfield.

SVRC, a non-profit community and fitness center that works to promote healthy lifestyles for children and adults, was one of nine recipients in the Large-Scale Systems category, receiving a major grant of \$125,000. The grant, which was developed with assistance from the Partnership, will help build a 420 panel solar system that is estimated to save the facility approximately

\$12,000 a year in electricity costs.

The purpose of the Clean Energy Development Fund is to promote a wide variety of clean electric energy technologies and programs, primarily with respect to renewable energy resources and the use of combined heat and power technologies.

Already the SVRC's Swim Center has the largest solar thermal system in Vermont that currently heats two of its three pools. Since metering began in March, the system has produced 100,000 kilowatt hours of energy, replacing 5,555 gallons of propane for a savings of \$9,276.



Southern Vermont Recreation Center's existing solar thermal system at work.

"This important grant not only lets us expand our existing solar operation, but will demonstrate yet another way to harness energy from the sun, help us save dollars and reduce harmful emissions that lead to global warming," said Christian Craig, Executive Director of the SVRC.

Continued on back page >